GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Centrally Sponsored scheme of Promotion of Bulk Drug Parks by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, GoI - Relocation of the Bulk Drug Park Project sanctioned under the Scheme from K.P. Puram & Kodhada of Thondangi Mandal, Kakinada District (erstwhile East Godavari district) to Nakkapalli in Anakapalli District and the allocation of a minimum of 2,000 acres of APIIC land in Nakkapalli for the Bulk Drug Park project - Approval accorded - Orders – Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.80 Dated: 22.09.2023.
Read the following:

1. G.O.Ms.No.45, Ind. & Comm. (Infra) Dept., dt.26.08.2020.
2. G.O.Ms.No.67, Ind. & Comm. (Infra) Dept., dt.14.10.2020.
3. From the Under Secretary to GoI, Ministry of Chemicals and Fertiliiers, Dept. of Pharmaceuticals, GoI, dt.07.11.2022.
4. From the Under Secretary to GoI, Ministry of Chemicals and Fertiliiers, Dept. of Pharmaceuticals, GoI, dt.17.01.2023.
5. From the Managing Director, A.P. Bulk Drug Infrastructure Corporation, e-fileNo. DOP/100/2023-ACCT-DOP (C.No.2203934).

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O R D E R:

In the G.O. 1st read above, Government have accorded approval for setting up of Bulk Drug Park in a minimum area of 2,000 Acres in Andhra Pradesh authorizing the APIIC Ltd. for preparation and submission of application to GoI on behalf of GoAP for setting up of Bulk Drugs Park under Bulk Drug Parks (BDPs) scheme of Ministry of Chemicals and Fertilizers, Dept of Pharmaceuticals, GoI and permitted to take forward the following initiatives related to setting up of Bulk Drug Park in the State:

i. To constitute "A.P. Bulk Drugs Infrastructure Corporation (APBDIC)", a 100% subsidiary under APIIC which to act as State Implementing Agency (SIA) for the project with Board and Responsibilities as specified at para 6(i) in the G.O.
ii. To identify a private partner, who proposes to offer minimum 2,000 Acres of unencumbered land, as per DoP-GoI scheme "Promotion of Bulk Drug Parks", dated 27th July, 2020 and willing to design, build, finance, develop and operate the park, through a transparent method.
iii. To enter into an MoU with IICT-CSIR as Knowledge Partner.

2. In the G.O. 2nd read above, Government have issued orders to create a competitive environment for the Industries coming up in the proposed Bulk Drug Parkin the State and also to extend the following special Package of incentives exclusively for the units set-up in the Bulk Drug Park:

i. Reimbursement of 100% of net SGST accrued to the state for a period of 10 years from the date of commencement of commercial production or upto the realization of 125% fixed capital investment, whichever isearlier.

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ii. Reimbursement of 100% stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
iii. Reimbursement of 100% stamp duty for the lease of land/shed/ buildings, mortgages and hypothecations.
iv. Uninterrupted 24x7 quality power, water and steam at competitive rates through co-generation or through a separate Distribution System for units setup in the Bulk Drug Park.
v. Waste and effluent treatment services to be provided at doorstep at competitive prices through common CETPs in Bulk Drug Park.
vi. Reimbursement of 50% of registration charges of various countries for product approval (Such as USA-FDA, EDQM-EU, PMDA-Japan, MHRA-UK, IMB- Ireland, TGA- Australia, Health Canada- Canada etc.) limited to ₹25 Lakhs.
vii. GoAP will support 10% of the cost of establishing of Technology and Research Institutes in the state in coordination with leading Institutions /Research Organizations and Educational Institutions as well as industry limited to Rs.5.0 Crore, with appropriate financial, infrastructure and other support mechanisms duly dovetailing with relevant schemes of GoI.
viii. All other incentives applicable as per A.P. Industrial Development Policy 2020-23.

3. In the Letter 3rd read above, the Government of India, has accorded the final approval for setting up the Bulk Drug Park at K.P. Puram and Kodhada Villages of Thondangi Mandal, East Godavari District with total project outlay of Rs.1,672 Crores subject to conditions specified in the final approval letter along with provisions of Scheme Guidelines including those, as detailed below:

i. Out of total project cost of Rs.1,672 Crores, Rs.996.45 Crores (after deducting PMA charges of Rs.3.55 Crores) is GoI's grant towards Common Infrastructure Facilities (CIF) and the balance Rs.677.55 Crores has to be contributed by State/SIA in a span of 2 years.
ii. SIA i.e., APBDIC shall first infuse Rs.133.5 Crores as SIA's share of 1st installment to Govt. of India to release the central share of Rs.300 Crores towards 1st installment.

4. In the letter 4th read above, the Department of Pharmaceuticals (DoP), MoCF,GoI., has objected and not agreed to the implementation structure proposed by GoAP citing that SIA's control on SPV, and thus the management of the park, is expected to be limited legally since SIA will be a minority shareholder in the SPV. The key comments of DoP, GoI include the following that SPV owned by a Private consortium Aurobindo Realty and Infrastructure Pvt. Ltd (ARIPL) may or may not follow the directives from the Central Government; Private SPV and not SIA would be responsible for day-to-day operation and Management of the Bulk Drug Park; Since 88% stake in SPV is owned by Private consortium led by ARIPL, SIA may not be able to implement any interventions outlined and approved.

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5. The Managing Director, A.P. Bulk Drug Infrastructure Corporation Ltd., in his proposal 5th read above, has stated that Private consortium led by ARIPL requested the APBDICL to confirm if the development of Bulk Drug Park can be undertaken as per the conditions of RFP document dt.08.11.2022 citing the requirements of final approval are in deviation to the conditions laid in the RFP. Since ARIPL expressed its apprehensions to be part of the Bulk Drug Project following the conditions stipulated in the final approval by the GoI, it may be prudent to look for alternate 2000 acres of land available with Government or its Undertakings.

6. The Managing Director, APBDICL, has therefore requested the Government to give necessary direction to APBDICL, if alternate locations can be explored for the bulk drug park since GoI would like to implement the bulk drug park projects in strict timelines as these projects are critical for the drug security of the Nation. The MD, APBDICL has also submitted the details of revised estimated project cost of Internal Infrastructure for an amount of Rs.2,190 Cr (as revised DPR is under preparation) with the proposed funding pattern of GoI Grant (1000 Cr), Equity Infusion by GoAP / APBDICL (300 Cr) and Debt via term loan (890 Cr). Further, MD, APBDICL has also submitted that the proposed cost of external infrastructure such as access road, power, water supply, marine outfall, etc at the new location is approximately Rs.386 Cr against the estimated figure of Rs.393 Cr for old location and requested the Government to provide the support for the same.

7. Government after careful examination of the proposal, hereby accord approval for relocation of the Bulk Drug Park project from K.P. Puram & Kodhada villages of Thondangi Mandal, Kakinada District (erstwhile East Godavari District) to Nakkapalli in Anakapalli District and the allocation of a minimum of 2,000 acres of APIIC land in Nakkapalli for the Bulk Drug Park project in accordance with the proposal (No.INC-01-INDOCIET/33/2020/APUIAML-INFRA/BDP-Proposal/01 dated 15.10.2020 of Spl. CS, I&C Department, GoAP) submitted by the Government of Andhra Pradesh to the Government of India for the selection under the Scheme of GoI and also to the revised estimated project cost of Rs.2,190 Crores at the new location.

8. The Managing Director, APBDICL, A.P., Mangalagiri and the Collector & District Magistrate, Anakapalli District shall take further necessary action in the matter, accordingly. The MD, APBDICL should prepare the revised DPR and take necessary action to submit the proposal to the Government of India for getting the required approval for the change of location within 2-3 weeks.

9. This order issues with the concurrence of the Finance (FMU.I&C,I&I,Energy) Dept., vide their U.O.No.FIN01-FMU0PC(IIE)/4/2020-AS-9 (C.No.1210218), dated:19.09.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Managing Director,
AP Bulk Drug Infrastructure Corporation Ltd., APIIC Towers, Mangalagiri, Guntur Dist.
The Collector & District Magistrate, Anakapalli District

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Copy to:

The Under Secretary,
Ministry of Chemicals and Fertilizers, Dept. of Pharmaceuticals, Govt. of India, New Delhi.
The VC&MD., APIIC Ltd., APIIC Tower, IT Park,Mangalagiri, Guntur District, A.P. – 522 503.
The Commissioner of Industries, APIIC Tower, IT Park, Mangalagiri, Guntur District.
The General Administration (Cabinet) Department, A.P. Secretariat. (w.r.t. the U.O. Note No.304/2023, dt.21.09.2023.).
The P.S. to Spl. C.S. to Chief Minister, O/o. the CMO., A.P. Secretariat.
The P.S. to Hon'ble Minister (III&C and IT), A.P. Secretariat.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Secretary to Govt. & CIP, Ind. & Com. Dept., A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER